

**SECOND AMENDMENT TO LEASE AGREEMENT
No. 1289**

This Second Amendment to Lease Agreement ("Second Amendment"), dated for reference purposes only as of _____ 2013 is by and between HELEN M. RAISER, TRUSTEE OF THE JHR MARITAL TRUST OF OCTOBER 2, 1969, HELEN M. RAISER, TRUSTEE OF THE JHR BYPASS TRUST OF OCTOBER 2, 1969, HARVEY E. CHAPMAN, JR., TRUSTEE OF THE HARVEY E. CHAPMAN, JR. LIVING TRUST OF JULY 17, 2006, AND COLLEEN C. BADELL, TRUSTEE OF THE COLLEEN C. BADELL LIVING TRUST OF JULY 17, 2006, AS TENANTS IN COMMON, DBA DAVIS ASSOCIATES ("Landlord"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Tenant").

Recitals

A. As authorized by San Mateo County Resolution No.66940, Landlord and County entered into a lease agreement, dated for reference purposes as of March 3, 2009 for 69,925 square feet of "Plug and Play" office space in that certain building commonly known as 1 Davis Drive, Belmont, California, for the use of the Human Services Agency, but occupied and paid for only 39,925 square feet.

B. As authorized by San Mateo County Resolution No. 71994, County and Landlord entered into a First Amendment to Lease Agreement dated for reference purposes as of April 24, 2012 (the "First Amendment"), which amendment set forth the leasehold improvements to be completed by Landlord at Landlord's sole cost, with reimbursement from County to Landlord for leasehold improvements to be paid as additional rent by County. The Lease together with the First Amendment are hereafter referred to as the "Lease as Amended".

C. The Lease as Amended allowed for the flexible use of space and 30,000 square foot on the second floor of the building was held as "Expansion Space. As a result of County Change Orders, the cost of the Leasehold Improvement Work resulted in Landlord being entitled to a reimbursement of \$332,000 from County.

D. Landlord and County now wish to amend the Lease to provide for the reimbursement to Landlord for the Leasehold Improvement Work and furniture systems in the Expansion Space and County's agreement to occupy 26,292 of the Expansion Space through September of 2019.

Agreement

For good and valuable consideration as hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Exhibit A to the Lease as Amended (Site Plan and Floor Plans of Premises) shall be deleted in its entirety, and replaced with the "Exhibit A" attached to this

Second Amendment.

2. Section 2.2 of the Lease as Amended is deleted in its entirety, and replaced with the following.

As of the Rent Commencement Date, County will use and occupy only the first floor and basement portion of the Premises, which portion shall be comprised of approximately 39,925 square feet (the "Initial Premises"). Effective April 1, 2013 County elected to occupy and use 26,292 square feet of space on the second floor (the "Second Floor"). The term of the lease of the Second Floor shall expire at the same time as the expiration of the term of the Initial Premises. The remaining portion of the Premises (the "Expansion Space") will remain vacant until and unless the County, in its sole discretion, notifies Landlord in writing that the County elects to utilize all or any part of the Expansion Space. Any part of the Expansion Space that County occupies will be occupied for the balance of the Term. Any use of the Expansion Space shall require a written notice, signed by Landlord and the County Manager or the County Manager's designee, which notice shall identify the useable area of the Expansion Space that the County elects to use, and shall include an exhibit that clearly identifies such area, and the date upon which such use will become effective. The Notice shall clearly designate which portion of the premises are the subject of the Notice.

In the event of the County's notification that it intends to use all or part of the Expansion Space, if the Landlord does not, within Ten (10) days of receipt of such Notice, object in writing to the calculation by the County of the area set forth therein, the Notice of Election shall be binding on the parties

For the purpose of any notice or election to use the Expansion Space as set forth in this Section, the authorized representative of the County shall be the County Manager of the County of San Mateo, or the County Manager's designee.

3. The following table is added to Section 4.1 of the Lease as Amended and sets forth the rent schedule for the Second Floor:

Months, Commencing on the Rent Commencement Date	Monthly Base Rent
44-48 (April of 2013 is the 44 th month.)	\$2.10 per square foot
49-72	\$2.25 per square foot
73-96	\$2.35 per square foot
97-120	\$2.45 per square foot

4. The following is inserted as a new to Section 4.9 of the Lease as Amended”:

4.9 Consideration for the Leasehold Improvements.

As consideration for the Leasehold Improvements and Landlord Furnishings constructed on the Second Floor, County shall make a one-time payment to Landlord in the amount of \$232,000. Said payment to be made on or before July 1, 2013.

5. Section 7.4 is deleted in its entirety, and replaced with the following.

7.4 Landlord's Furnishings; County's Option to Purchase.

The workstations installed by Landlord at its expense in the Initial Premises and on the Second Floor, as more specifically shown on Exhibit A (“Landlord’s Furnishings”) shall remain the property of Landlord throughout the term of this Lease; provided however, County shall have the right to purchase all of Landlord’s Furnishings at the end of the Term of this Lease for the sum of One Dollar (\$1.00). County shall exercise the option to purchase Landlord’s Furnishings, if at all, by giving written notice to Landlord not less than 90 days prior to the expiration of the Lease Term. Upon receipt of such notice together with the \$1.00 compensation, Landlord shall provide a bill of sale to County confirming the transfer of ownership free of any lien or encumbrance.

6. **Counterparts.** This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

7. **No Further Amendments; Conflicts**. All the terms and conditions of the Lease as Amended remain in full force and effect except as expressly amended herein. The Lease as Amended and modified by this Second Amendment constitute the entire agreement between Landlord and County regarding the leased premises and may not be modified except by an instrument in writing duly executed by the parties hereto. In the event of any conflict between the terms of the Lease as Amended and the terms of this Second Amendment, the terms of this Second Amendment shall control.

Landlord and County have executed this Second Amendment which is dated for reference purposes only as of _____, 2013.

LANDLORD:

DAVIS ASSOCIATES

HELEN M. RAISER, TRUSTEE OF THE JHR
MARITAL TRUST OF OCTOBER 2, 1969

BY: Phillip H. Raiser, Agent
PHILLIP H. RAISER, HER AUTHORIZED
AGENT

HELEN M. RAISER, TRUSTEE OF THE JHR
BYPASS TRUST OF OCTOBER 2, 1969

BY: Phillip H. Raiser, Agent
PHILLIP H. RAISER, HER AUTHORIZED
AGENT

HARVEY E. CHAPMAN, JR., TRUSTEE OF
THE HARVEY E. CHAPMAN, JR. LIVING
TRUST OF JULY 17, 2006

BY: Phillip H. Raiser, Agent
PHILLIP H. RAISER, HIS AUTHORIZED
AGENT

COLLEEN C. BADELL, TRUSTEE OF THE
COLLEEN C. BADELL LIVING TRUST OF
JULY 17, 2006

BY: Phillip H. Raiser, Agent
PHILLIP H. RAISER, HER AUTHORIZED
AGENT

COUNTY:
COUNTY OF SAN MATEO,
a political subdivision of the State of California

By: _____
Don Horsley
President, Board of Supervisors

Attest:

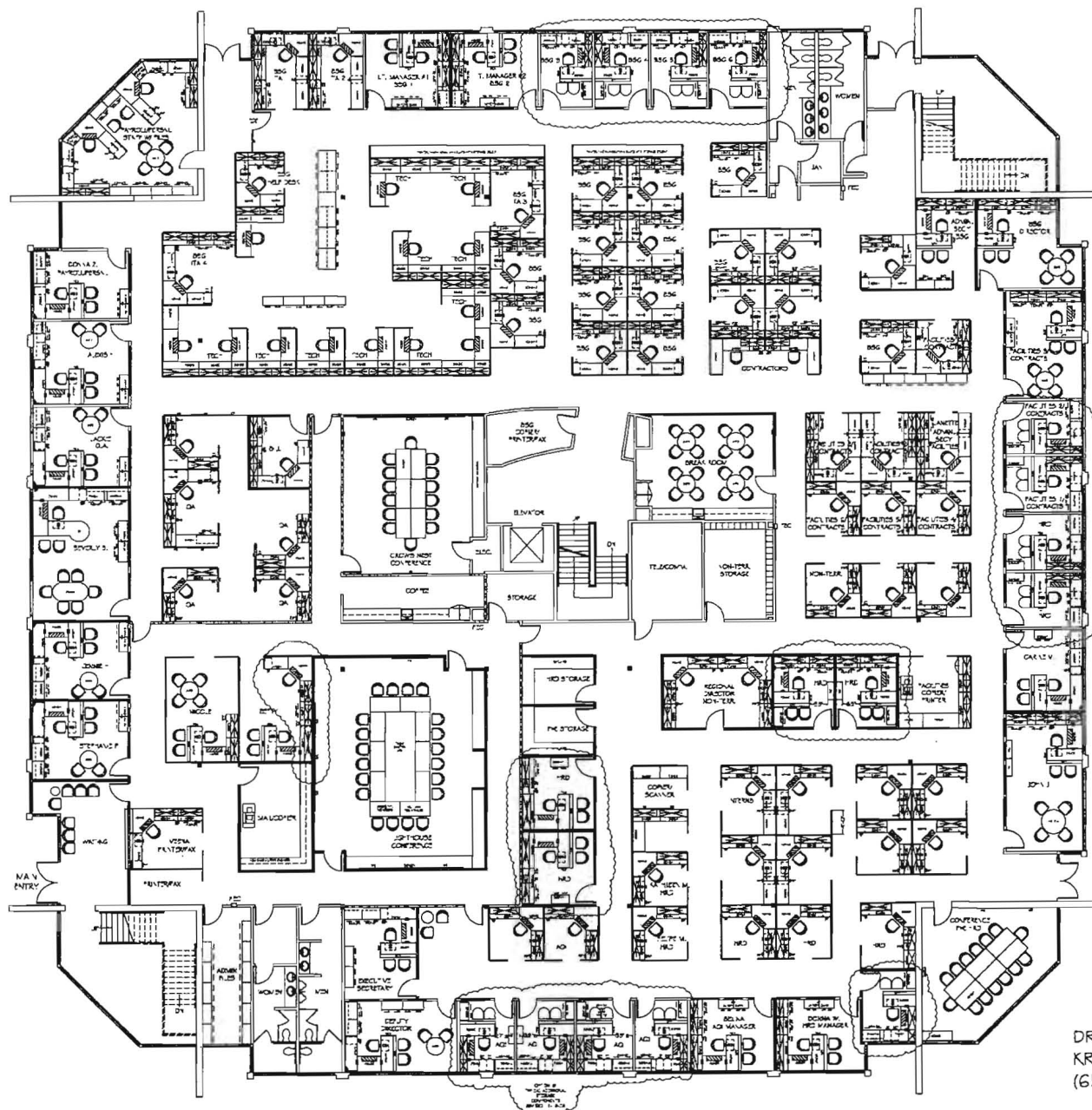
Clerk of the Board

Resolution No.: _____

EXHIBIT A
BASEMENT
INITIAL PREMISES

EXHIBIT A FIRST FLOOR INITIAL PREMISES

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NOTE: ALL WORKSTATIONS TO BE PROVIDED WITH 3 CIRCUITS. POWER TO BE CONNECTED VIA WALL, COLUMNS, OR FLOOR INCHMENTS. TWO PDS TO BE PROVIDED FOR 7 STATIONS AND ABOVE.

COSM-HUMAN SERVICES AGENCY
1 DAVIS DRIVE, BELMONT
FIRST FLOOR

5-12-06
REVISED 5-20-06
REVISED 6-14-06
REVISED 9-3-06
REVISED 9-29-06 - STILL IN PROGRESS
REVISED 10-14-06

REVISED 11-19-06 - ADDED STORAGE TO SUPV. OFFICES & MISC.
REVISED 2-2-09 UPDATED DOOR COLORATIONS

DRAWN BY:
KRJ DESIGN GROUP
(650) 525-3700

ONE DAVIS
DRIVE
2ND FLOOR

AREA
UNOCCUPIED
APPROX.
3,708 SQ. FT.

NOTE: 1-24-13
DIMENSIONS ADDED AT
OFFICE CONDITIONS
APPROXIMATE, THEY HAVE
BEEN MEASURED TO
CONFIRM SPACES
HOWEVER MADE NEED
ADDITIONAL VERIFICATION
FOR FURNITURE DETAILS AS
TO +/- SIZES

AREA OCCUPIED
26,292 SQ. FT.

